



# Department of Justice

FOR IMMEDIATE RELEASE  
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**CLEVELAND EXPLOSIVES COMPANY EXECUTIVE INDICTED IN  
PRICE FIXING CONSPIRACY IN KENTUCKY, ILLINOIS, INDIANA**

WASHINGTON, D.C. -- A federal grand jury today indicted David P. True, an executive of the Cleveland-based explosives manufacturer Austin Powder Company, for participating in a criminal conspiracy to fix prices and rig bids on commercial explosives sold in Kentucky, Illinois and Indiana, the Justice Department said.

Thus far, 13 explosives manufacturers and distributors, and three executives--including Austin Powder and one other Austin Powder manager--have pleaded guilty to similar conspiracies in the Department's ongoing antitrust investigation of the explosives industry. Including today's fine, the violations have resulted in an industry-wide total of nearly \$40 million in criminal fines.

With approximately \$1 billion in sales in the U.S., commercial explosives are primarily used in the mining, construction, and oil and gas industries.

The one-count indictment, filed in U.S. District Court in Owensboro, Kentucky, charges True with conspiring with other competitors between the fall of 1988 and sometime in 1993 to fix prices, allocate customers, and rig bids on certain commercial

explosives offered for sale in portions of western Kentucky, southern Illinois, and southern Indiana.

As part of the conspiracy, the indictment also charged that True and other competitors discussed and agreed to increase a surcharge to certain purchasers of drilling, loading and blasting services from 3 percent to 4.5 percent.

True has been Austin Powder's vice president and general manager since July 1988.

Joel I. Klein, Assistant Attorney General in charge of the Department's Antitrust Division said, "This case is another example of our aggressive efforts to bring to justice those who have undermined competition in this billion dollar industry."

The indictment is the result of an ongoing investigation into the commercial explosives industry being conducted by the Division's Litigation I Section with the assistance of the Federal Bureau of Investigation.

The maximum penalty for an individual convicted of a Sherman Act violation committed after November 16, 1990, is three years imprisonment and a fine of the greatest of \$350,000, twice the pecuniary gain the individual derived from the crime, or twice the pecuniary loss suffered by the victims of the crime.

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